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SUBJECT: LIBERAL PARTY ELECTS A NEW PRESIDENT

1. SUMMARY: YALE PROFESSOR IVO BANAC WAS ELECTED AS THE NEW PRESIDENT OF THE LIBERAL PARTY (LS) A JUNIOR MEMBER OF THE GOC COALITION, DEFEATING ZLATKO KRAMARIC BY A SLIM MARGIN. ALTHOUGH FREQUENTLY A CRITIC OF THE CURRENT GOVERNMENT, BANAC SAID THE LIBERAL PARTY WOULD CONTINUE TO PARTICIPATE IN THE RULING COALITION. HIS AMBITION TO IMPROVE THE LS'S STANDING INSIDE THE COALITION, HOWEVER, MAY BE THWARTED BY HIS DECISION TO PURSUE PARALLEL CAREERS ON BOTH SIDES OF THE ATLANTIC. END SUMMARY.

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2. YALE PROFESSOR IVO BANAC WAS ELECTED THE THIRD PRESIDENT OF THE LIBERAL PARTY (LS) AT A JANUARY 25 PARTY CONVENTION. IN A SECOND ROUND, BANAC NARROWLY DEFEATED HIS OPPONENT, INCUMBENT ZLATKO KRAMARIC, BY A MARGIN OF SIX VOTES.

3. IN THE WAKE OF THE JANUARY 2000 PARLIAMENTARY ELECTIONS, THE LS ENTERED THE RULING COALITION AS A JUNIOR PARTNER HOLDING ONLY TWO SEATS IN PARLIAMENT. THE NUMBER INCREASED WHEN TWO ETHNIC MINORITY REPRESENTATIVES JOINED THE PARTY CAUCUS. OVERALL, HOWEVER, DURING KRAMARIC'S TWO-YEAR TERM AS PRESIDENT, THE PARTY APPEARED TO HAVE LOST THE MODEST SUPPORT IT HAD UNDER ITS LATE FOUNDER AND FIRST PRESIDENT VLADO GOTOVAC.

4. ALTHOUGH A FREQUENT COMMENTATOR ON POLITICAL TRENDS IN CROATIA, BANAC IS RELATIVELY NEW IN HIS ROLE AS POLITICIAN. MUCH LIKE GOTOVAC, BANAC HAS BEEN VIEWED AS A MORAL VOICE RATHER THAN A LEADER. HIS FREQUENT SHARP CRITICISM OF THE PAST HDZ GOVERNMENT -- AND TO A LESSER EXTENT THE CURRENT RACAN GOVERNMENT -- HAS SOMETIMES EARNED HIM A REPUTATION AS A "RADICAL." IMMEDIATELY BEFORE AND DURING THE LEADERSHIP STRUGGLE, KRAMARIC WAS ONLY THE LATEST TO HINT AT BANAC'S RADICALISM. AFTER HIS DEFEAT AT THE PARTY CONVENTION, KRAMARIC TOLD THE PARTY RANK AND FILE THAT "RADICALISM IN THE PARTY WILL NOT PASS." OVERALL, THE LEADERSHIP, INCLUDING THE LS VICE PRESIDENTS, IS MODERATE.

5. AT THE CONVENTION, BANAC PROMISED TO REBUILD THE PARTY THROUGH HARD WORK ON THE GROUND WITH ACTIVE PARTICIPATION OF EVERY LOCAL CHAPTER. HE PROPOSED THE LS AS THE "THIRD OPTION" AGAINST A BIPOLAR POLITICAL SPECTRUM WHERE THE HDZ

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AND THE SDP DOMINATE. HOWEVER, BANAC STRESSED THAT HIS PARTY WOULD STAY IN THE SDP-LED GOVERNMENT COALITION AS LONG AS THE GOVERNMENT IS DETERMINED TO CONTINUE THE REFORMS.

6. COMMENT: BANAC RIGHTLY COUNTED ON HIS STATUS AS A POLITICAL NEWCOMER TO GET ELECTED TO THE HELM OF A PARTY EXPERIENCING A DECLINE IN SUPPORT. THIS STATUS COULD ALSO BE HELPFUL FOR THE PARTY IN A NATION INCREASINGLY DISAPPOINTED WITH THE CURRENT GOVERNMENT, AND STILL SUSPICIOUS OF THE PEOPLE FROM THE OLD HDZ GOVERNMENT. HOWEVER, BANAC'S VOCAL AND AMBITIOUS PROMISES TO REBUILD THE LIBERAL PARTY AND STRENGTHEN LIBERAL DEMOCRACY IN CROATIA WERE SOMEWHAT DILUTED WITH HIS SUDDEN DEPARTURE BACK TO THE U.S. WHERE HIS PROFESSORIAL DUTIES REQUIRE HIS PRESENCE FOR A FEW MORE MONTHS -- MONTHS THAT MIGHT BE CRITICAL FOR THE FRAGILE COALITION GOVERNING A COUNTRY APPROACHING ELECTIONS. HIS CAMPAIGNING ACTIVISM THAT WON HIM THE PARTY PRESIDENCY MAY NOT SERVE HIM WELL IN THE PRACTICALITIES OF POLITICAL LEADERSHIP.

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